



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN D. CHERRY, JR.
LT. GOVERNOR

STREAMLINING GOVERNMENT

Making Government Work Better for Less

The structure of Michigan's state government was created in the early 1960s, in a world that bears little resemblance to the one we live in today. To meet our citizens' needs, we must restructure our government to better reflect our new realities. Government must be nimble, flexible, and responsive. And it must cost less.

Governor Jennifer M. Granholm has already taken significant steps to reduce both the size and cost of government. From selling state-owned cars and planes, to reducing travel, to restricting hiring – the governor has left no stone unturned in her fight against unnecessary spending. The state has saved millions thanks to the governor's directives requiring competitive bidding, renegotiating state contracts, and reducing energy use. State government is the smallest it has been in more than 30 years with 17 percent fewer employees than just eight years ago.

In her State of the State address, Governor Granholm outlined the next steps in this effort, including:

Restructuring State Government

Governor Granholm has asked Lt. Governor John D. Cherry, Jr. to lead the development of a strategic plan that modernizes state government to meet the challenges of the 21st century. The Lt. Governor's plan will focus on four goals:

- **A Government Focused on Core Priorities** – To ensure that government is responsive to the needs of Michigan citizens today, it is critical that programs are effective – maximizing integration and collaboration opportunities, reducing duplication, standardizing processes across organizational boundaries, and forging greater opportunities for partnerships between the public and private sectors. Michigan's government must focus on core priorities and effectively direct resources toward these goals.
- **Enhancing Service to Citizens** – During this economic transformation, a modernized government must maintain and improve service. A strategic plan focused on core functions will be more nimble, flexible, and responsive to the needs of Michigan's citizens.
- **Maximizing Technology** – Technology enables change that increases efficiency, communications, and transparency. A 21st century government must maximize the use of technology to serve citizens more quickly at a lower cost.
- **Attracting the Next Generation of Talent** – Workers entering the marketplace today are attracted to vibrant work environments that encourage them to use their talents creatively. Government should be modernized in a way that encourages this next generation of talent to pursue public service.

Making Additional Budget Cuts

Since Governor Granholm took office, Michigan has done more to restrain spending than any state in the country. According to the National Association of State Budget Officers, while state spending has increased an average of 36 percent over the last seven years nationally, spending has increased just two percent in Michigan.

The governor detailed some of the additional cuts she will recommend in her Fiscal Year 2010 Executive Budget recommendation to help ensure that the state continues to live within its means. The governor's budget will:

- virtually eliminate all earmarks;
- recommend elimination of the Department of History, Arts, and Libraries;
- recommend ending state support for the state fairs in Detroit and the Upper Peninsula; and
- return enforcement of wetland regulation back to the federal government.

Reducing Elected Officials' Salaries

Governor Granholm and Lt. Governor Cherry have sent a letter to the State Officers Compensation Commission (SOCC), which has authority over officials' salaries, asking them to reduce the pay of all state elected officials by 10 percent.

"State government, like the Michigan families it serves, is doing more with less. State employees already have borne their share of the burden with increased workloads and have accepted deferred compensation and other economic concessions to assist in dealing with budget shortfalls. As we have asked state employees to sacrifice, we believe that as elected leaders in state government we have an obligation to share in these sacrifices," they wrote.

Granholm asked legislative leaders to act quickly in approving the recommendations from the SOCC.

Michigan's One Stop Shop for Business

Governor Granholm's commitment to making government work smarter also includes making government easier to access for Michigan's businesses. In March, Michigan's One Stop Shop for business – a simple Web portal, which will put hundreds of business transactions seamlessly on-line – will be open for business. In addition, an ombudsman's office and a 24-hour call center will help make doing business in Michigan quicker, easier, and less bureaucratic than anywhere else in the country. For the first time, businesses looking to open, expand, or simply renew their licenses will have an easy, one-stop shop to meet their needs.

Additional Reforms in Michigan's Prisons

Over the last six years, the Michigan Department of Corrections (DOC) has reduced spending by \$460 million through substantial reorganization of structure and services. The DOC has eliminated hundreds of mid-level managers; closed nine prisons, camps, and correction centers; consolidated business operations; and restructured the department's administration.

In addition, the DOC's successful Michigan Prisoner Re-entry Program is helping parolees successfully re-enter community life and reducing recidivism rates. As a result, the prison population is declining, allowing for three more facilities – Scott Correctional Facility, Camp Deerfield, and Camp Branch – to be closed in coming months.

In her State of the State speech, the governor announced she will propose additional reforms and cost-saving measures in her budget recommendation next week, including adoption of the bipartisan reforms recently announced.